



RESTRICTED**TRANSPORTATION - FRANCE****THE SUPREME TRANSPORTATION ADVISORY BOARD**

NOTE: The following information was not available during the preparation of this study.

1. The most important development in French transportation since the war is the establishment by the National Assembly in August 1947 of a Supreme Transportation Advisory Board. The Board will advise the Minister of Public Works and Transport on all transportation matters submitted to it, but may also formulate recommendations on its own initiative. The Advisory Board's immediate mission is to present, within one year, plans for the coordination of rail, highway, inland waterway, air and ocean transportation. It will include in its plans coordination of domestic transport with colonial and international transportation. The Board will study all social, technical, financial and economic matters relative to the organization and functioning of the various modes of transportation; it will also study matters concerning stock and equipment, technical and commercial development and the social, economic and administrative problems arising therefrom.

2. The Supreme Transportation Advisory Board is established under the Minister of Public Works and Transport and consists of 69 members, including representatives from various government agencies, members of Parliament, specialists from the large transport organizations, employee representatives from the operating companies and public organizations such as tourist travel agencies. Seven permanent commissions are established under the Board, charged with examining questions of transport coordination. These are as follows:

- Rail - highway
- Rail - inland waterway
- Rail - air
- Rail - sea
- Highway - air
- Highway - inland waterway
- Sea - air

3. The Supreme Transportation Advisory Board is financed through a special fund provided by the Minister of Public Works and Transport. The sum expended shall be reimbursed to the state by the various transportation operators under conditions to be set forth by decree of the Minister of Public Works and Transport and the Minister of Finance.

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FRANCE - RAILWAY TRANSPORTATION

A. POLICIES

1. French Government policy, over a long period of time, has been to foster the development of rail transport through legal, financial and administrative assistance of various types. French rail policy attempts to avoid both outright private operation and complete Government ownership by having the roads remain under corporate form with the state owning 51 per cent of the stock.
2. French rail policies are determined by the Department of Railroads and Transport (DIRECTION GENERALE des CHEMINS de FER et des TRANSPORTS) which possesses considerable freedom of action under the authority of the Ministry of Public Works and Transport (MINISTERE des TRAVAUX PUBLICS et des TRANSPORTS). Rail policies are integrated into the over-all transport policy as determined by the Ministry.
3. Systematic planning of rail facilities has been a traditional feature of the transport policy of the state. The rail policy of France was historically greatly influenced by the German strategic policy with regard to railroads under Von Moltke. It is probable that French rail development was greatly expedited by the apparent emphasis which her neighbor across the Rhine placed upon rail network development. Recent strategic policy with regard to railroads has been to attempt to counteract, insofar as possible, any transport plans of neighboring states which might threaten national security.
4. The French Government has always promoted the development of rail facilities, and the state has been very liberal in subsidizing and otherwise encouraging such development.
5. French rail policy has been influenced principally by political and economic conditions. While political conditions furnished the first great impetus, it is evident that the economic needs of the country have generally determined the eventual course of railroad policy (except during those periods when military policy determined that national security transcended other factors).

B. ORGANIZATION

1. The rail system of France is under the direction of the Department of Railroads and Transport (DIRECTION GENERALE des CHEMINS de FER et des TRANSPORTS) in the Ministry of Public Works and Transport.
2. The Department of Railroads and Transport is organized into six offices. Of these, five deal with the various aspects of railroad management, such as: (a) administration, (b) finance, (c) control, (d) technical developments, and (e) labor. The sixth deals with over-all coordination of rail and road transport.

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FRANCE - RAILWAY TRANSPORTATION (B-3 CONT'D)

3. The Department of Railroads and Transport is an independent agency in the Ministry. It has no direct relation to any other agency in the Ministry, the Ministry performing the functions of such coordination and over-all control as are found necessary. The rail system is related to shipping and civil air functions only through the over-all administration of the Ministry.
4. From the earliest days of French railroads a century ago, the state has shown great interest in their development, and the present "nationalized" rail system is the logical sequence of state policy as developed over the years.
5. In the light of present conditions, it is believed that operations are as efficient as can be expected in view of the economic disruptions and rolling stock shortages due to the war.

C. ADMINISTRATION

2. Proposed rail rates are prepared by the railroads and submitted to the Ministry for study and approval. If the proposed rates appear justified, they are approved. In case of disapproval, the railroad has the right of appeal to Parliament for debate and decision.

In March 1947, the French National Railways brought into operation a completely revised system of rates for freight traffic. The new system is the outcome of several years of detailed investigation. Prior to the new system, freight rates were based on the ad valorem principle. (High rates for high-value cargo regardless of weight or difficulty of handling.) From a national policy standpoint the ad valorem principle had many advantages, but from the standpoint of the rail system, such policy was not entirely satisfactory. As long as rails had a practical monopoly the system worked well, but as soon as competition with other forms of transport developed, the railroads were placed in an unfavorable position, since the ad valorem principle disregarded the actual cost of such transport, while road haulage rates were based on an entirely different principle and took much of the high-value traffic away from the railroads. The new revised freight rate principles include the following points: freight shall not be carried at a rate less than cost; rates for each class of merchandise shall be scaled to meet the level of charges by competing forms of transportation; and, more efficient car loading procedures shall be designed to effect necessary economies. Virtually every commodity has been covered under the new freight rates with the exception of livestock, certain types of road vehicles, and certain high-value commodities, such as precious stones and securities. The present rate system is considered to be a distinct advance over the former policy of charging as much as the traffic would bear and is expected to equate, as far as practicable, rail charges with road rates and still allow an area of competition between the media.

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3. The rail system and the water carriers have a distinct advantage over highway transport, since rail and water carriers receive state aid, while highway carriers do not. (Policies on competition between competing modes of transport are described in C-2.) It is not likely that the acute competition that developed between road and rail facilities in the thirties will be allowed to recur, because this experience proved that each held certain natural advantages which could not be overcome by rate cutting or by traffic practices that eventually proved disastrous to both.
4. Inspection of equipment and safety regulations are the responsibility of the rail lines under the supervision of the Controller of Public Works in the Ministry of Public Works and Transport. European international standards are followed and enforcement of inspection and safety regulations is undertaken by both railroad and state inspectors.
5. The railroads provide technical training courses at the ECOLE POLYTECHNIQUE, which is state-controlled. The government evidences keen interest in the training of transport technicians.
6. The government, through its control of the French rail system, has committed the railroads to a policy of participation in international agreements on exchange of traffic and related problems; in addition it has concluded a number of bilateral agreements with other countries regarding such matters.

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